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hold that the peace conditions should be settled by a Peace Congress composed of delegates "chosen by national representative bodies." For them freedom of the seas includes the "neutralization of maritime straits, including the canals of Suez and Panama." Their conception of the equality of trade conditions is that all belligerents "should renounce any commercial boycott after the war or the institution of special customs and agreements." In addition to a gradual disarmament on land and sea, they suggest the "re-establishment of militia to replace standing armies." They then apply the principle of the plebiscite to the question of Alsace-Lorraine, to the contested territory in the Balkans, and to Trent and Trieste. They urge that Poland should be autonomous instead of "independent," and that this autonomy should be extended to the Lithuanian and Lettish provinces. They hold that indemnities to Belgium should be provided by an "international financial fund." Any of our readers interested to compare more fully this Russian program with the program of the President will find them both elsewhere in these columns. As one reads the Russian formulas, one readily understands why the President believes that the soul of the Russian people "is not subservient," and why he should say frankly: "Their conception of what is right, of what is human and honorable for them to accept, has been stated with a frankness, a largeness of view, a generosity of spirit, and a universal human sympathy which must challenge the admiration of every friend of mankind." The expression from the Bolsheviks of Russia deserves more credit than it has received from the press of America. It drew from Mr. Wilson his speech of January 8—a speech which crystallizes the aspirations of the foes of Germany and establishes a morale among them more important than guns. The Proletarian is in the saddle and he is galloping rather rapidly, whither we do not know. We do know that Germany has been brought to *pourparlers* at Brest-Litovsk; pan-Germanists are more and more seriously threatened by their most serious of all enemies, namely, the anti-militarists, headed now by Foreign Secretary von Kuehlmann, within the German Empire; Chancellor von Hertling has agreed to the Russian proposal of no annexation, no indemnities, and the right of self-determination by the peoples; and that the arch-Junker, Count Reventlow, admits in his *Tagezeitung* the strength of the peace movement and that it "threatens the inevitable ruin of Germany's future." Austria-Hungary's support of Prussian ambitions has been weakened to the point of collapse. Turkey wishes she had never entered the war. Bulgaria is thoroughly frightened. And all of these things are so because the thinking peoples of central Europe are beginning to see the light before the eyes of their enemies and to behold that it is good.

Recruiting of great ideas has made it possible for the enemies of the Imperial German Government to win a victory in this war, a victory of brains, thus far the greatest victory of the war—a victory so far-reaching that the end of this war and the end of all war is in consequence immeasurably nearer.

## THE PRICE OF PEACE

WITH Congressman Joe Cannon, we, too, wish that the President's address before the Congress, January 8, might be thoroughly distributed and taught to the people of Germany and Russia, for in that address was set forth, more definitely than heretofore, the price which the peoples must pay if this war is not to be fought in vain. Especially does it set forth the principles to which the people of the Central Powers must subscribe before we can enter into any hopeful negotiations looking toward peace. And some of the principles set forth by the President contain no little food for the consumption of statesmen at home as well as for the responsible leaders among our allies—Italy, France, England, Japan—who have brought upon themselves what under different circumstances might be called something of a rebuke, indeed something of a warning.

Undismayed by the technical difficulties involved, without reference to the unhappy fate of the Declaration of London, in the face of an English opposition of long standing, in the face of some recent unhappy secret treaties and agreements between some of our most intimate Allies and the Romanoff régime, Mr. Wilson places at the forefront of his program two principles which must cause no little consternation among the conservatives everywhere, especially among the older statesmen of the school of Tallyrand and Metternich. The principles are that we shall do away with secret diplomacy, and that there must be absolute freedom of the seas in peace or war. It must be an infinite consolation to the spirit of Richard Cobden that such an international voice is heard at last, insisting that there must be a removal of all international economic barriers and an establishment of commercial equality among nations, even though certain of our republicans at home and the favored special interests everywhere must at least raise their eyebrows.

The proposal for the reduction of national armaments will lend new hope to those who strove for the realization of this purpose when it was set forth by the Czar of Russia in 1898, and to those of us who still insist that the abolition of international threats is a without-which-not in the campaign for the peace of international justice.

Proposals five to thirteen, inclusive, are concrete applications of the fundamental principles upon which

this government rests, namely, nations or governments are regarded as created by the people, deriving their just powers from the consent of the governed, and that they are instituted among men to promote the safety and happiness of human beings by securing to them the enjoyment of their fundamental rights. Nations are creatures of law and subordinate to law and exist only that through them the peoples may be protected in their rights to life, liberty, and the pursuit of happiness. To these ends nations have the right to freedom of development without interference or control from other nations. That is the principle which the President has in mind as he speaks of impartial adjustments of all colonial claims, of the evacuation by Germans of all Russian territory, of the evacuation of Belgium, of the restoration of the French territory and reparation for Alsace-Lorraine, of the readjustment of Italian frontiers, of the autonomous development of the peoples of Austria-Hungary, of the evacuation of Roumania, Serbia, and Montenegro, and of the political independence and territorial integrity of the Balkan States. That is the simple principle in the President's mind when he speaks of the continuation of Turkish sovereignty in the Ottoman Empire, of autonomy for the other nationalities under Turkish rule, of the internationalization of the Dardanelles, and of an independent Polish State.

The President senses, we repeat, that nations are creatures of law and subordinate to law, and that they all, great and small, have the right to exist, to protect and to conserve their existence, and the right to independence and freedom and the right to develop without interference from the outside so long as they themselves do not infringe upon these rights of other nations. He fittingly concludes, therefore, with the assertion that there must be a general association of nations under specific covenants for mutual guarantees of political independence and territorial integrity to large and small States alike.

If this program, or anything approaching it, is approved and accepted by the nations of the world, this war will not have been fought in vain. The price of peace for the nations is becoming clearer and clearer and the prospect of its attainment more and more hopeful as the voice of humanity becomes increasingly articulate. Leon Trotsky may be right, he may be wrong, when he says that the capitalistic world is faced with either "permanent war or revolution," but as one reads of the aspirations of the Russian Democrats, of the international vision of the English and American labor parties, of the unanimity of purpose revealed in the recent utterances of Lloyd-George and Woodrow Wilson, one must be dull indeed who denies that a new world is struggling to be and that its voice is in our ears.

## A CLEAN SLATE OR A CLEAR TITLE?

IT is reported that all loans and bonds held by foreigners are to be repudiated by the Russians now in power. We sincerely hope that this is not the case. France has been the financial friend of Russia for many years and is today the principal holder of Russian bonds. For Russia to repudiate these obligations would be to stab her best friend in the back. Up to the Lenine revolt, the United States Government had advanced \$325,000,000 to Russia, of which nearly \$200,000,000 was in cash. When on November 1 last Premier Kerensky issued the statement through the Associated Press, calling attention to the fact that Russia was worn out by the long strain, the United States immediately responded by placing \$31,000,000 more to the credit of the Russian Government.

It is probably true that during the three years of Russian participation in the war that she had spent 50 per cent of the material resources of her people; that her imports had been greatly reduced, and that her production had declined by a half. Her credit notes alone are now well on toward 900,000,000 rubles. But more serious than any of these things is the future credit of the Russian nation. Governments have repudiated debts heretofore, but on no such scale as is here proposed. In the realm of finance there is no obligation more sacred than government credit, inasmuch as it constitutes a clear title to sovereignty, and any government that tries for a "clean slate" by repudiating its obligations thereby commits financial and moral *hara kiri*.

Our own country presents an experience to which the Russian leaders might well attend. When three years after the adoption of our Constitution in 1787, Alexander Hamilton, then Secretary of the United States Treasury, was confronted with the question of restoring out national credit, at a time when our Treasury was empty, when we had no revenue, and when our "Continental currency" had faded from circulation, he proposed that the National Government should assume and pay not only its own obligations, but the State debts which had been contracted in the national cause during the War of the Revolution. That was, under the circumstances, a remarkable proposal. The plan, enthusiastically supported by Massachusetts, Connecticut, and South Carolina, was opposed by Pennsylvania, Virginia, Maryland, Georgia, New Hampshire, and North Carolina. A bill providing that the nation should pay these debts was finally passed, however, because of Hamilton's political skill and persistence. And the passage of that bill, October 4, 1790, assuming the State debts to the amount of \$21,500,000, was the first great step that established American credit and opened the way for our new Government to its place in the Council of Nations.